

DOMINION AND ANGLO INVESTMENT CORPORATION

file

LIMITED

BOARD OF DIRECTORS:

HENRY R. JACKMAN, Q.C.

J. GERALD GODSOE, C.B.E., Q.C., LL.D.

HENRY N. R. JACKMAN.

MALCOLM D. RICHARDSON.

R. M. MACINTOSH, Ph.D.

OFFICERS:

HENRY R. JACKMAN, *President.*CECIL E. JOLLY, *Treasurer.*HENRY N. R. JACKMAN, *Secretary.*

Bankers:

THE BANK OF NOVA SCOTIA

Auditors:

PRICE WATERHOUSE & CO., TORONTO

Transfer Agent and Registrar:

EASTERN & CHARTERED TRUST COMPANY, TORONTO

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

Your Directors submit herewith their Thirty-Ninth Annual Report together with Audited Accounts for the year ended April 30, 1967.

Interest and dividends received amounted to \$484,099 compared with \$475,656 for the preceding fiscal year. After providing for expenses, interest and income taxes, the net income for the year amounted to \$294,063 compared with \$275,275 for the year ended April 30, 1966. During the year changes for the purpose of adjusting the company's investment portfolio involved capital surplus over book cost of \$918,051.

Regular quarterly dividends have been paid on the 5% Cumulative Preferred Stock, and a dividend of 30¢ per share on the no par value Common Stock was paid on April 25, 1967.

Since the close of our fiscal year Mr. Henry E. Langford retired as a director and vice-president of our Company on being appointed chairman of the Ontario Securities Commission. Mr. Langford served on the Board for 17 years and his advice and counsel was always greatly appreciated. He carries with him the best wishes of his fellow directors in his new responsibilities.

Your Directors report that the net liquidating value of the Company's assets based on market quotations as of April 30, 1967, after deducting First Secured Bonds was \$15,242,922 compared with \$16,053,956 as of April 30, 1966. This amount was equivalent to \$1,524.29 behind each share of Preferred Stock as compared with \$1,605.40 as of April 30, 1966. After deducting the Preferred Stock at par the liquidating value of the Common Stock was \$27.65 per share as compared with \$29.23 as of April 30, 1966.

A Comparative Summary of the Company's progress since its inception appears on page 4.

Respectfully submitted on behalf of the Board.

H. R. JACKMAN,
President.

September 8, 1967
44 King Street West,
Toronto 1, Ontario.

DOMINION AND ANGLO INVESTMENT CORPORATION

LIMITED

BALANCE SHEET

ASSETS	April 30		LIABILITIES	April 30	
	1967	1966		1967	1966
INVESTMENTS, at cost:			CURRENT LIABILITIES:		
Securities having a quoted market value			Bank loan	\$ —	\$ 560,000
(Value based on market quotations			Dividend on 5% Preferred Stock		
April 30, 1967—\$17,054,000;			payable June 1, 1967	12,500	12,500
April 30, 1966—\$18,700,000)....	\$13,541,040	\$13,356,427	Accounts payable	1,500	2,500
Securities not having a quoted market			Accrued interest on bonds	8,007	8,453
value	540,000	495,000	Income taxes payable	3,722	1,648
	14,081,040	13,851,427		25,729	585,101
Cash	110,151	15,057	LONG-TERM DEBT:		
			4% First Secured Bonds, 1955 issue,		
			maturing April 1, 1970	2,435,500	2,571,000
				2,461,229	3,156,101
			SHAREHOLDERS' INVESTMENT		
			CAPITAL STOCK:		
			5% cumulative redeemable preferred		
			stock with a par value of \$100 each—		
			Authorized—25,000 shares		
			Issued and outstanding—10,000		
			shares	1,000,000	1,000,000
			6% non-cumulative redeemable preferred		
			shares with a par value of 1¢		
			each—		
			Authorized—639,500,000 shares		
			Common stock without nominal or par		
			value—		
			Authorized—1,000,000 shares		
			Issued and outstanding—515,000		
			shares	220,000	220,000
				1,220,000	1,220,000
			SURPLUS ACCOUNTS:		
			Distributable surplus (unchanged since		
			1935)	219,301	219,301
			Capital surplus, per statement attached	10,130,323	9,200,307
			Earned surplus, per statement attached	160,338	70,775
			Total shareholders' investment	11,729,962	10,710,383
	<u>\$14,191,191</u>	<u>\$13,866,484</u>		<u>\$14,191,191</u>	<u>\$13,866,484</u>

APPROVED ON BEHALF OF THE BOARD:

H. R. JACKMAN, *Director*
J. G. GODSOE, *Director*

Auditors' Report to the Shareholders of DOMINION AND ANGLO INVESTMENT CORPORATION LIMITED:

We have examined the balance sheet of Dominion and Anglo Investment Corporation Limited as at April 30, 1967 and the statements of income and expenses, earned surplus and capital surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at April 30, 1967, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, May 19, 1967.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

STATEMENTS OF INCOME AND EXPENSES, EARNED SURPLUS AND CAPITAL SURPLUS

INCOME FROM INVESTMENTS:	INCOME AND EXPENSES		Year ended April 30	
			1967	1966
Dividends.....	\$	473,045	\$	455,220
Interest.....		11,054		20,436
		<u>484,099</u>		<u>475,656</u>
EXPENSES:				
Remuneration of directors and executive officers.....		28,800		28,800
Salaries.....		9,976		9,598
Interest on long-term debt.....		100,454		109,131
Other interest.....		1,405		3,037
Canadian and foreign income taxes.....		31,598		28,953
Miscellaneous expenses.....		17,803		20,862
		<u>190,036</u>		<u>200,381</u>
<i>Net income for the year</i>	\$	<u>294,063</u>	\$	<u>275,275</u>

EARNED SURPLUS

(Accumulated net income from investments less dividends paid or provided for)

Balance at beginning of year.....	\$	70,775	\$	—
<i>Add—</i>				
Net income for the year.....		294,063		275,275
		<u>364,838</u>		<u>275,275</u>
<i>Deduct—</i>				
Dividends on preferred stock.....		50,000		50,000
Dividends on common stock.....		154,500		154,500
		<u>204,500</u>		<u>204,500</u>
<i>Balance at end of year</i>	\$	<u>160,338</u>	\$	<u>70,775</u>

CAPITAL SURPLUS

(Principally gains, less losses, on realization of investments less amount capitalized on issue of stock dividend)

Balance at beginning of year.....	\$	9,200,307	\$	6,349,447
Adjustment on restatement of investments, at cost.....		—		1,703,262
Balance at beginning of year, after adjustment.....		<u>9,200,307</u>		<u>8,052,709</u>
<i>Add—</i>				
Discount on purchase of 4% First Secured Bonds, due April 1, 1970.....		11,965		17,207
Capital gains, less losses, on realization of investments for the year.....		918,051		1,130,391
<i>Balance at end of year</i>	\$	<u>10,130,323</u>	\$	<u>9,200,307</u>

DOMINION AND ANGLO INVESTMENT CORPORATION LIMITED

FINANCIAL SUMMARY

	1967	1964	1959	1954	1949	1944	1939	1934	1929
Gross Income.....	\$ 484,099	\$ 447,488	\$ 454,635	\$ 243,473	\$ 197,240	\$ 130,440	\$ 105,193	\$ 60,120	\$ 131,482
Net Income.....	294,063	250,324	256,261	203,317	174,912	112,641	88,672	49,881	114,288

CAPITALIZATION

Funded Debt.....	\$ 2,435,500	\$ 2,863,000	\$ 2,963,500						
Preferred Shares (a) 5% Cum. Par Val. \$100	1,000,000	1,000,000	1,000,000	1,000,000	\$1,056,300	\$1,249,500	\$1,295,000	\$1,400,000	\$1,500,000
Common Shares N.P.V. amount contributed	<u>1,120,000</u>	<u>1,120,000</u>	<u>1,120,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
	\$ 4,555,500	\$ 4,983,000	\$ 5,083,500	\$2,000,000	\$2,056,300	\$2,249,500	\$2,295,000	\$2,400,000	\$2,500,000

NET VALUE OF COMPANY'S ASSETS at Market

Value less Bonds Outstanding.....	\$15,242,922	\$14,699,056	\$10,678,940	\$5,934,359	\$3,063,053	\$2,250,325	\$1,773,445	\$1,487,525	\$2,585,000
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LIQUIDATING VALUE

Preferred.....	\$1,524.29	\$1,469.91	\$1,067.89	\$593.43	\$289.98	\$180.10	\$136.94	\$106.25	\$172.33
Common (b) (c).....	\$ 27.65	\$ 26.60	\$ 18.79	\$ 9.87	\$ 4.01	\$ 2.00	\$ 0.96	\$ 0.175	\$ 2.17

- (a) After purchase in the market of preferred shares from time to time.
 (b) Adjusted for 50-for-1 split on September 27, 1960.
 (c) During fiscal 1965 a tax free distribution of \$7.00 per share was paid to the Common Shareholders.